

EXTRACT OF MINUTES of a regular public meeting of the City Council of the City of Peoria, Peoria County, Illinois, held at the City Hall, in said City, at 6:15 p.m., on the 11th day of March, 2014.

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon the roll being called, the Mayor and the following Council Members answered physically present at said location: \_\_\_\_\_

\_\_\_\_\_

The following Council Members were allowed by a majority of the Council Members in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: \_\_\_\_\_

\_\_\_\_\_

No Council Member was not permitted to attend the meeting by video or audio conference.

The following Council Members were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

\_\_\_\_\_

The City Council then discussed a proposed bond financing of certain capital projects in and for the City and considered an ordinance providing for the issuance of General Obligation Bonds, Series 2014A, of the City and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Council Member \_\_\_\_\_ presented the following ordinance:

AN ORDINANCE providing for the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2014A, of the City of Peoria, Peoria County, Illinois, for the purpose of financing certain capital projects in and for the City, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the “*Bond Ordinance*”) which was before the City Council and was made available to any person requesting it in words and figures as follows.

Council Member \_\_\_\_\_ moved and Council Member \_\_\_\_\_ seconded the motion that the Bond Ordinance as presented be adopted.

A discussion of the matter followed.

The Mayor directed that the roll be called for a vote upon the motion to adopt the ordinance.

Upon the roll being called, the following Council Members voted AYE: \_\_\_\_\_

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and the following Council Members voted NAY: \_\_\_\_\_.

WHEREUPON, the Mayor declared the motion carried and the ordinance adopted.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

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City Clerk

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ORDINANCE NUMBER \_\_\_\_\_

AN ORDINANCE providing for the issuance of \$ \_\_\_\_\_  
General Obligation Bonds, Series 2014A, of the City of Peoria,  
Peoria County, Illinois, for the purpose of financing certain capital  
projects in and for the City, and providing for the levy and  
collection of a direct annual tax for the payment of the principal of  
and interest on said bonds.

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Adopted by the City Council on the  
11th day of March, 2014.

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**ORDINANCE NUMBER \_\_\_\_\_**

AN ORDINANCE providing for the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2014A, of the City of Peoria, Peoria County, Illinois, for the purpose of financing certain capital projects in and for the City, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

WHEREAS the City of Peoria, Peoria County, Illinois (the “*City*”) has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the home rule provisions of Section 6, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS the City Council of the City (the “*Corporate Authorities*”) has previously considered the needs of the City and has determined and does hereby determine that it is advisable, necessary and in the best interests of the City to provide for various capital improvements in and for the City, including, but not limited to providing infrastructure improvements including drainage, roads, curbs, gutters and completion of the City’s sewer rehabilitation program (the “*Project*”); and

WHEREAS the Corporate Authorities have determined the total cost of the Project and costs and expenses incidental thereto, including in such costs and expenses all items of cost permitted under the home rule powers of the City, and without limitation, costs of issuance of bonds, capitalized interest, and reserves, to be not less than \$ \_\_\_\_\_; and there are not moneys of the City on hand and available for the purpose of providing for the payment of such costs:

NOW THEREFORE Be It Ordained by the City Council of the City of Peoria, Peoria County, Illinois, in the exercise of its home rule powers, as follows:

*Section 1. Definitions.* In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Ordinance shall have the following meanings, unless, in either case, the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles hereto.

City

Corporate Authorities

Project

B. The following words and terms are defined as set forth.

*“Act”* means the Illinois Municipal Code, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

*“Bond”* or *“Bonds”* means one or more, as applicable, of the General Obligation Bonds, Series 2014A, authorized to be issued by this Ordinance.

*“Bond Counsel”* means Chapman and Cutler LLP, Chicago, Illinois, or if Chapman and Cutler LLP is unable or unwilling to provide an opinion, another firm of attorneys having a national reputation for expertise in Tax-exempt municipal obligations.

*“Bond Fund”* means the Bond Fund established and defined in Section 17 of this Ordinance.

*“Bond Register”* means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

*“Bond Registrar”* means the Comptroller of the City, or designee, and successors or assigns.

*“Book Entry Form”* means the form of Bonds as fully registrable and available in physical form only to the Depository.

*“County Clerk”* means the County Clerk of The County of Peoria, Illinois.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Depository”* means The Depository Trust Company, a New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

*“Designated Officers”* means the Mayor, the City Clerk, the City Treasurer, the Finance Director/Comptroller and the City Manager, or successors or assign.

*“Expense Fund”* means the Expense Fund established and defined in Section 17 of this Ordinance.

*“Full Faith and Credit Taxes”* means the unlimited ad valorem taxes levied by and under this Ordinance against all of the taxable property in the City, without limitation as to rate or amount, pledged hereunder as security for the Bonds.

*“Government Securities”* means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

*“Interest Payment Date”* means a Stated Maturity of interest on the Bonds.



*“Ordinance”* means this Ordinance, numbered as set forth on the title page hereof, and passed by the Corporate Authorities on the 11th day of March, 2014, as originally adopted and as the same may from time to time be amended or supplemented.

*“Outstanding”* or “outstanding” refers to Bonds which are outstanding and unpaid; *provided, however,* such term shall not include Bonds which (i) have matured and for which moneys are on deposit with proper paying agents or similar institutions having trust powers, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow account of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all of the principal of and interest and any applicable premium on such Bonds.

*“Paying Agent”* means the Comptroller of the City, or designee.

*“Private Business Use”* means any use of the Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public. Private Use does not include use of Bond-financed property pursuant to certain short-term arrangements not exceeding (i) two hundred days, (ii) one hundred days or (iii) fifty

days, as set forth in Section 1.141-3 of the United States Treasury Regulations dealing with tax-exempt bond provisions of the Code.

*“Project Fund”* means the Project Fund established and defined in Section 17 of this Ordinance.

*“Purchase Price”* means the price to be paid for the Bonds, \$\_\_\_\_\_ (being the par amount of the Bonds, plus original issue premium in the amount of \$\_\_\_\_\_ and net of an underwriter’s discount of \$\_\_\_\_\_), plus accrued interest to the date of delivery of the Bonds, if any.

*“Purchaser”* means \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, the purchaser of the Bonds, as the winning bidder at competitive sale.

*“Record Date”* means the 15th day of the month next preceding any regularly scheduled Interest Payment Date occurring on the first day of a month and 15 days preceding any Interest Payment Date occasioned by a redemption of Bonds on other than a regularly scheduled Interest Payment Date.

*“Representation Letter”* means such letter or agreement as shall be necessary to effectuate a book-entry system for the Bonds, and specifically includes the Blanket Letter of Representations previously executed by the City and the Depository.

*“Stated Maturity”* when used with respect to any Bond or any interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity, mandatory redemption or otherwise.

*“Tax-exempt”* means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for

individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“*Term Bonds*” means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as term bonds herein.

“*Treasurer*” means the City Treasurer, or designee, or successors or assigns.

C. For all purposes of this Ordinance, except as otherwise expressly provided herein or unless the context otherwise requires:

1. The terms defined in this Section or elsewhere in this Ordinance have the meanings assigned to them and include the plural as well as the singular (or vice-versa).

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles for municipal enterprise funds.

3. All references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted.

4. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

5. The table of contents preceding and headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

*Section 2. Incorporation of Preambles.* The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

*Section 3. Determination To Issue Bonds.* It is necessary and in the best interests of the City to provide for the Project, to pay all necessary or advisable related costs, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and is in the public interest, and

is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

*Section 4. Bond Details.* There shall be issued and sold the Bonds in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall each be designated “*General Obligation Bond, Series 2014A*”; be dated the date of issuance thereof (the “*Dated Date*”); and shall also bear the date of authentication thereof. The Bonds shall be fully registered and in Book Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), and shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due and payable [**serially**] (subject to right of prior redemption) on January 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the

principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on January 1 and July 1 of each year, commencing on January 1, 2015. Interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository is the registered owner as of a given Record Date. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Bond Registrar maintained for the purpose, located in the City of Peoria, Illinois, or at successor Paying Agent and locality.

*Section 5. Book Entry Provisions.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the “*Book Entry Owner*”). Except as otherwise expressly provided, all of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of the Book Entry Owner (and accordingly in Book Entry Form as such term is used in this Ordinance). Any City officer, as representative of the City, is hereby authorized, empowered, and directed to execute and deliver or utilize a previously executed and delivered Letter of Representations or Blanket Letter of Representations (either being the “*Letter of Representations*”) substantially in the form common in the industry, or with such changes therein as the officer executing the Letter of Representations on behalf of the City shall approve, his or her execution thereof to constitute

conclusive evidence of approval of such changes, as shall be necessary to effectuate Book Entry Form. Without limiting the generality of the authority given with respect to entering into such Letter of Representations, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, none of the City, any City officer, or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City, any City officer, and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as otherwise expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein

and in the Letter of Representations, (b) the agreement among the City, the Bond Registrar, and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds either that they be able to obtain certificated Bonds or that another depository is preferable, the City shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Book Entry Owner. Alternatively, at such time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a system accommodating Book Entry Form, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such alternate book entry system, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

*Section 6. Execution; Authentication.* The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall

have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

*Section 7. Redemption. (a) Optional Redemption.* Those of the Bonds due on or after January 1, 2023, are subject to redemption prior to maturity at the option of the City, from any available funds, in whole or in part, on any date on or after January 1, 2022, and if in part, in integral multiples of \$5,000, selected by lot by the Bond Registrar as hereinafter provided, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* **[The Bonds are not Term Bonds and are not subject to mandatory redemption prior to maturity.][The Bonds due on January 1 of the years 20\_\_ , 20\_\_ and 20\_\_ are Term Bonds and are subject to mandatory redemption by operation of the Bond Fund at a price of par and accrued interest, without premium, on January 1 of the years and in the amounts as follows:**

**FOR THE TERM BONDS DUE JANUARY 1, 20\_\_ :**

YEAR	REDEMPTION AMOUNT (\$)
20__	_____
20__	_____

with \$ \_\_\_\_\_ remaining to be paid at maturity in 20\_\_ .

**FOR THE TERM BONDS DUE JANUARY 1, 20\_\_ :**

YEAR	REDEMPTION AMOUNT (\$)
20__	_____
20__	_____

with \$ \_\_\_\_\_ remaining to be paid at maturity in 20\_\_ .



**FOR THE TERM BONDS DUE JANUARY 1, 20\_\_ :**

YEAR	REDEMPTION AMOUNT (\$)
20__	_____
20__	_____

with \$ \_\_\_\_\_ remaining to be paid at maturity in 20\_\_.

**The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity, and taxes shall be levied and collected as provided herein accordingly.]**

*Section 8. Redemption Procedure.* The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

A. *Redemption Notice.* For a mandatory redemption of Term Bonds, the Bond Registrar shall proceed to redeem the Term Bonds without any further order or direction from the City whatsoever. For an optional redemption, the City shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturities of Bonds to be redeemed.

B. *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond

Registrar shall make such selection (1) upon or prior to the time of the giving of official notice of redemption, or (2) in the event of a refunding or defeasance, upon advice from the City that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

C. *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for

redemption and that interest thereon shall cease to accrue from and after said date;  
and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

D. *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

E. *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph (D) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

F. *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice, so long as the Bonds are held in book entry form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by DTC and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in notice.*

G. *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

H. *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall become due and payable on demand, as aforesaid, but, until paid or duly provided for, shall continue to bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

I. *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

J. *Additional Notice.* The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the City (unless a separate agreement shall be made), (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the City with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

K. *Bond Registrar to Advise City.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the City a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

*Section 9. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners.* The City shall cause the Bond Register to be kept at the office of the Bond Registrar,

which is hereby constituted and appointed the registrar of the City for the Bonds, or at the principal office maintained for the purpose by any successor bond registrar. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such Interest Payment Date.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

*Section 10. Form of Bond.* The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[FORM OF BOND - FRONT SIDE]

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF PEORIA  
CITY OF PEORIA  
GENERAL OBLIGATION BOND, SERIES 2014A

See Reverse Side for  
Additional Provisions.

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: January 1, 20\_\_      Date: \_\_\_\_\_, 2014      CUSIP: 713176 \_\_\_\_

Registered Owner:      CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Peoria, Peoria County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (subject to right of prior redemption as hereinafter provided), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on January 1 and July 1 of each year, commencing January 1, 2015, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office of the Comptroller of the City, in Peoria, Illinois, as paying agent and bond registrar (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained



by the Bond Registrar, at the close of business on the applicable Record Date (the “*Record Date*”). The Record Date shall be the 15th day of the month next preceding any regularly scheduled Interest Payment Date occurring on the first day of a month and 15 days preceding any Interest Payment Date occasioned by a redemption of Bond on other than a regularly scheduled Interest Payment Date. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the City and the Bond Registrar for so long as this Bond is held by The Depository Trust Company, New York, New York, the Depository, or nominee, in book-entry only form as provided for same.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF the City of Peoria, Peoria County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

---

Mayor, City of Peoria  
Peoria County, Illinois

ATTEST:

---

City Clerk, City of Peoria  
Peoria County, Illinois

[SEAL]

Date of Authentication: \_\_\_\_\_, 2014

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Bonds, Series 2014A, having a Dated Date of \_\_\_\_\_, 2014, of the City of Peoria, Peoria County, Illinois.

Bond Registrar and Paying Agent:

---

City Comptroller,  
City of Peoria, Peoria County, Illinois

[FORM OF BOND - REVERSE SIDE]

This bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$ \_\_\_\_\_ issued by the City for the purpose of paying costs of the Project, and of paying expenses incidental thereto, all as described and defined in the ordinance authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, (such code and powers being the “*Act*”), and with the Ordinance, which has been duly passed by the City Council of the City, approved by the Mayor, and published, in all respects as by law required.

This Bond is subject to provisions relating to registration, transfer and exchange; and such other terms and provisions relating to security and payment as are set forth in the Ordinance, to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

The Bonds coming due on and after January 1, 2023, are subject to redemption prior to maturity at the option of the City on January 1, 2022, and any date thereafter, from any lawfully available monies, in whole or in part, and if in part, in such principal amounts and from such maturities as the City shall determine, and within any maturity by lot, at a redemption price of par plus accrued interest, upon the terms and conditions and as otherwise provided in the Bond Ordinance.

**[The Bonds due on January 1, 20\_\_ , are Term Bonds and are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on January 1 of the years and in the principal amounts as follows:**

YEAR	PRINCIPAL AMOUNT (\$)
20__	\$
20__	
20__	
20__	<b>(Stated Maturity)</b>

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

This Bond is a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Here insert Social Security Number, Employer Identification Number or other Identifying Number

---



---

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

---

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

*Section 11. Security for the Bonds.* The Bonds, together with the interest and any premium thereon, shall be and forever remain until paid or defeased, secured by the full faith and credit of the City and the City’s levy of the Full Faith and Credit Taxes.

*Section 12. Tax Levy; Abatement.* For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the following direct annual taxes (the “*Full Faith and Credit Taxes*”):

FOR THE YEAR	_____	A TAX SUFFICIENT TO PRODUCE THE DOLLAR (\$) SUM OF:
2014	_____	for interest and principal up to and including January 1, 2016 [net of \$_____ from funds on hand and lawfully available to pay interest on January 1, 2015]
2015	_____	for interest and principal
2016	_____	for interest and principal
2017	_____	for interest and principal
2018	_____	for interest and principal
2019	_____	for interest and principal
2020	_____	for interest and principal
2021	_____	for interest and principal
2022	_____	for interest and principal
2023	_____	for interest and principal
2024	_____	for interest and principal
2025	_____	for interest and principal
2026	_____	for interest and principal
2027	_____	for interest and principal

2028	_____	for interest and principal
2029	_____	for interest and principal
2030	_____	for interest and principal
2031	_____	for interest and principal
2032	_____	for interest and principal

The Full Faith and Credit Taxes, and other moneys on deposit in the Bond Fund from time to time (“*Bond Moneys*”) shall be applied to pay principal of and interest on the Bonds. Interest on or principal of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Full Faith and Credit Taxes; and when the Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Full Faith and Credit Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Full Faith and Credit Taxes may lawfully be levied, extended and collected as provided herein..

In the event that funds from any other lawful source are made or are reasonably anticipated to become available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the abatement of the taxes by such amount. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

*Section 13. Filing with County Clerk.* Promptly, as soon as this Ordinance becomes effective, a copy of this Ordinance, certified by the City Clerk of the City, shall be filed with the

County Clerk; and the County Clerk shall in and for each of the years as set forth herein ascertain the rate percent required to produce the aggregate Full Faith and Credit Taxes as levied herein and subject to abatement as provided in Section 12; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and the County Clerk, or other appropriate officer or designee, shall remit the Full Faith and Credit Taxes for deposit to the credit of the Bond Fund; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

*Section 14. Sale of Bonds.* The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the City Treasurer, and shall be by the Treasurer delivered to the Purchaser, upon payment of the Purchase Price. The contract for the sale of the Bonds to the purchasers, as evidenced by an “*Official Notice of Sale*” and an executed “*Official Bid Form*”, as submitted to and presented to the Corporate Authorities at this meeting, as executed by the Purchaser, is hereby in all respects approved and confirmed, and the officer(s) of the City designated therein are authorized and directed to execute the contract (bid form) on behalf of the City, it being hereby declared that, to the best of the knowledge and belief of the members of the Corporate Authorities, after due inquiry, no person holding any office of the City, either by election or appointment, is in any manner financially interested, either directly in his own name or indirectly in the name of any other person, association, trust or corporation, in such contract for the sale of the Bonds to the Purchaser. The Preliminary “Deemed Final” Official Statement of the City, relating to the Bonds, presented to the Corporate Authorities is hereby ratified and approved. The Official Statement of the City, to

be provided within seven business days hereof, relating to the Bonds (the “*Official Statement*”), is hereby authorized, and the purchasers are hereby authorized on behalf of the City to distribute copies of the Official Statement to the ultimate purchasers of the Bonds. Such officer or officers of the City as are designated therein are hereby authorized to execute and deliver the Official Statement on behalf of the City.

*Section 15. Continuing Disclosure Undertaking.* Any Designated Officer is hereby authorized to execute and deliver the Continuing Disclosure Undertaking, in substantially the form heretofore executed by the City in connection with prior financings, to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. When such Continuing Disclosure Undertaking is executed and delivered on behalf of the City, it will be binding on the City and the officers, agents, and employees of the City, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with such Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause to the City to comply with its obligations thereunder.

*Section 16. General Covenants.* The City covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain outstanding and unpaid:

- (a) The City will punctually pay or cause to be paid the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.



(b) The City will pay and discharge, or cause to be paid and discharged, any and all lawful claims which, if unpaid, might become a lien or charge upon the Full Faith and Credit Taxes or any part thereof, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

(c) The City will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

(d) The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance.

*Section 17. Creation of Funds and Appropriations.*

A. There is hereby created the “*General Obligation Bonds, Series 2014A, Bond Fund*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on the Bonds. Accrued interest, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and be applied to pay first interest coming due on the Bonds.

B. The Full Faith and Credit Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Full Faith and Credit Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the

principal of or interest on the Bonds on the Interest Payment Date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Full Faith and Credit Taxes on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the City, as described in the preceding sentence.

C. The amount necessary from the proceeds of the Bonds shall be disbursed directly upon the issuance of the Bonds or shall be deposited into a separate fund, hereby created and to be known as the “*General Obligation Bonds, Series 2014A, Expense Fund*” (the “*Expense Fund*”) to be used to pay expenses of issuance of the Bonds. Disbursements from such fund shall be made from time to time by the City Treasurer as needed to pay costs of issuance of the Bonds or shall be made upon the delivery of the Bonds by the Purchasers at the direction of the Treasurer. Any excess in said fund shall be transferred after six months to the Project Fund.

D. The remaining proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the “*Series 2014A Project Fund*” (the “*Project Fund*”), hereby created as the fund to provide for the receipt and disbursement of proceeds of the Bonds for the Project. The Corporate Authorities reserve the right, as it becomes necessary or advisable from time to time, to revise the list of expenditures for the Project, to change priorities, to revise cost allocations between expenditures and to substitute projects, in order to meet current needs of the City; *subject, however,* to the various covenants set forth in this Ordinance and in related certificates given in connection with delivery of the Bonds.

*Section 18. Reimbursement.* None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior

to the date hereof except architectural or engineering costs incurred prior to commencement of any of the Project or expenditures for which an intent to reimburse it as properly declared under Treasury Regulations Section 1.103-18. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.103-18 as to all costs of the Project paid after the date hereof and prior to issuance of the Bonds.

*Section 19. General Tax Covenants.* The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, would otherwise cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with such Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

*Section 20. Registered Form.* The City recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax-exempt. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 21. Certain Specific Tax Covenants.*

A. None of the Bonds shall be a “private activity bond” as defined in Section 141(a) of the Code; and the City certifies, represents, and covenants as follows:

(1) Not more than 5% of the net proceeds and investment earnings of the Bonds is to be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

(3) None of the proceeds of the Bonds is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) No user of the infrastructure of the City to be improved as part of the Project other than the City or another governmental unit, will use the same on any basis other than the same basis as the general public; and no person, other than the City or another governmental unit, will be a user of such infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Bonds shall not be “arbitrage bonds” under Section 148 of the Code; and the City certifies, represents, and covenants as follows:

(1) With respect to the Project, the City has heretofore incurred or within six months after delivery of the Bonds expects to incur substantial binding obligations to be paid for with money received from the sale of the Bonds, said binding obligations comprising binding contracts for the Project in not less than the amount of 5% of the proceeds of the Bonds allocable to the Project.

(2) More than 85% of the proceeds of the Bonds allocable to the Project will be expended on or before three years for the purpose of paying the costs of the Project.

(3) All of the principal proceeds of the Bonds allocable to the Project and investment earnings thereon will be used, needed, and expended for the purpose of paying the costs of the Project including expenses incidental thereto.

(4) Work on the Project is expected to proceed with due diligence to completion.

(5) Except for the Bond Fund, the City has not created or established and will not create or establish any sinking fund reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Bonds. Money deposited into the Bond Fund will be spent within a 13-month period beginning on the date of deposit, and investment earnings in the Bond Fund will be spent or withdrawn from the Bond Fund within a one-year period beginning on the date of receipt.

(6) Amounts of money related to the Bonds required to be invested at a yield not materially higher than the yield on the Bonds, as determined pursuant to such tax certifications or agreements as the City officers may make in connection with the issuance of the Bonds, shall be so invested; and appropriate City officers are hereby authorized to make such investments.

(7) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” to the United States Treasury (the “*Rebate Requirement*”) is available to the City, the City will meet the Rebate Requirement.

(8) Relating to such applicable exceptions, any City officer charged with issuing the Bonds is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the City. If such election may result in a “penalty in lieu of rebate” as provided in the Code, and such penalty is incurred (the “*Penalty*”), then the City shall pay such Penalty.

C. The City reserves the right to use or invest moneys in connection with the Bonds in any manner or to make changes in the Project list or to use the City infrastructure acquired, constructed, or improved as part of the Project in any manner, notwithstanding the representations and covenants in (Sections 18 through 21 of) this Ordinance, *provided* it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to Tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such infrastructure as contemplated will not result in loss or impairment of Tax-exempt status for the Bonds.

D. Each Bond is hereby designated as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In connection therewith the City hereby affirms that: (i) none of such Bonds will be at any time a “private activity bond” (as

defined in Section 141 of the Code); (ii) in calendar year 2014, the City has not issued any Tax-exempt obligations of any kind nor have any other Tax-exempt obligations of any kind been issued on behalf of the City; (iii) during calendar year 2014, the City will not issue or cause to have issued on behalf of the City more than \$10,000,000 of Tax-exempt obligations, including the Bonds; (iv) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the City during calendar year 2014 will be designated for purposes of Section 265(b)(3) of the Code; and (v) the City is not subject to control by any entity, and there are no entities subject to control by the City.

*Section 22. Opinion of Counsel Exception.* The City reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the tax-related covenants set forth in Sections 18 through 21 herein, *provided* it shall first have received an opinion from Bond Counsel to the effect that use or investment of such moneys as contemplated is valid and proper under applicable law and this Ordinance and, further, will not adversely affect the Tax-exempt status for the Bonds.

*Section 23. Rights and Duties of Bond Registrar and Paying Agent.* If requested by the Bond Registrar or the Paying Agent, or both, any officer of the City is authorized to execute standard forms of agreements between the City and the Bond Registrar or Paying Agent with respect to the obligations and duties of the Bond Registrar or Paying Agent hereunder. In addition to the terms of such agreements and subject to modification thereby, the Bond Registrar and Paying Agent by acceptance of duties hereunder agree:

- (a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein;

(b) as to the Bond Registrar, to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law;

(c) as to the Bond Registrar, to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(d) as to the Bond Registrar, to furnish the City at least annually a certificate with respect to Bonds canceled and/or destroyed;

(e) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds;

The City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Bond Registrar and the Paying Agent.

*Section 24. Defeasance.* Any Bond or Bonds which (a) are paid and canceled, (b) which have matured and for which sufficient sums been deposited with the Paying Agent to pay all principal and interest due thereon, or (c) for which sufficient funds and Government Securities have been deposited with the Paying Agent or similar fiduciary institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Full Faith and Credit Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not.



*Section 25. Publication of Ordinance.* A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

*Section 26. Superseder and Effective Date.* All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

*Section 27. Bond Insurance.* In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a "*Bond Insurance Policy*") issued by a bond insurer (a "*Bond Insurer*"), and as long as such Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the Designated Officers on advice of the Corporation Counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

ADOPTED: March 11, 2014

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED: March 11, 2014

\_\_\_\_\_  
Mayor, City of Peoria, Peoria  
County, Illinois

ATTEST:

\_\_\_\_\_  
City Clerk, City of Peoria  
Peoria County, Illinois

Published in pamphlet form by authority of the City Council on March 11, 2014.

Recorded in the records of the City on March 11, 2014.

STATE OF ILLINOIS    )  
  ) SS  
COUNTY OF PEORIA    )

**CERTIFICATION OF MINUTES AND ORDINANCE**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Peoria, Peoria County, Illinois (the “*City*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the City and of the City Council (the “*Corporate Authorities*”) thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting (the “*Meeting*”) of the Corporate Authorities held on the 11th day of March, 2014, insofar as the same relates to the adoption of an ordinance (the “*Ordinance*”), numbered \_\_\_\_\_, entitled:

AN ORDINANCE providing for the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2014A, of the City of Peoria, Peoria County, Illinois, for the purpose of financing certain capital projects in and for the City, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

a true, correct and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda (the “*Agenda*”) for the Meeting was posted at the principal office of the Corporate Authorities and at the location where the Meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding the Meeting; that the Agenda remained continuously posted at said locations until the adjournment of the Meeting; that the agenda described or made specific reference to the Ordinance; that a true, correct and complete copy of the Agenda as so posted is attached hereto; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the City, and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 11th day of March, 2014.

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City Clerk

[SEAL]

**[CITY CLERK TO ATTACH AGENDA]**

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF PEORIA    )

**CERTIFICATE OF PUBLICATION IN PAMPHLET FORM**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Peoria, Peoria County, Illinois (the “*City*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “*Corporate Authorities*”) thereof.

I do further certify that on the \_\_\_\_ day of March, 2014, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number \_\_\_\_\_ of the City providing for the issuance the General Obligation Bonds, Series 2014A, of the City and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as City Clerk located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this 11th day of March, 2014.

\_\_\_\_\_  
City Clerk

[SEAL]

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF PEORIA    )

**CERTIFICATE OF FILING**

I do hereby certify that I am the duly qualified and acting County Clerk of The County of Peoria, Illinois, and as such officer I do hereby certify that on the \_\_\_ day of March, 2014, there was filed in my office a properly certified copy of Ordinance Number \_\_\_\_\_, passed by the City Council of the City of Peoria, Peoria County, Illinois, on the 11th day of March, 2014, and entitled:

AN ORDINANCE providing for the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2014A, of the City of Peoria, Peoria County, Illinois, for the purpose of financing certain capital projects in and for the City, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of Peoria, Illinois, at Peoria, Illinois, this \_\_\_ day of March, 2014.

\_\_\_\_\_  
County Clerk of The County  
of Peoria, Illinois

[SEAL]